

Naturally Occurring Affordable Housing Funding Support Request

Housing & Neighborhood Development Committee
February 20, 2019

Briefing Objectives

- ▶ Background
- ▶ Housing Trust Fund Status
- ▶ Naturally Occurring Affordable Housing (NOAH) Funding Proposal
- ▶ Next Steps



Background

- ▶ **August 2018:** Council adopted the "Housing Charlotte Framework" which recommended:
 - ▶ Prioritizing large-scale NOAH properties, and
 - ▶ Establishing a preservation fund to subsidize developer acquisition of NOAH
 - ▶ Deploying resources to partner with developers to preserve at-risk NOAH properties with City subsidies



Housing Trust Fund Status

Housing Trust Fund	
Beginning Balance:	\$50,000,000
Less 4% Tax Credit Projects:	- \$9,524,000
Remaining Balance:	\$40,476,000

Proposed NOAH Criteria

Proposed NOAH Criteria	
✓	Older than 15 years
✓	Rents in AMI range that are at-risk due to surrounding neighborhood dynamics
✓	Can be rehabilitated to maintain good quality of life for residents for 15 years or more
✓	In an area with close proximity to quality jobs, schools and transportation infrastructure
✓	Neighborhood is experiencing transformative change and property appreciation

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NOAH Proposal

- ▶ Sharon Oaks Apartments
- ▶ 4701 Arching Oak Lane
- ▶ Council – District 5
- ▶ Originally built in 1961 and the early 1990s



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NOAH Proposal

- ▶ **Sharon Oaks Apartments**
- ▶ **98 Apartment Units**
 - ▶ 20 One-Bedroom Units
 - ▶ 78 Two-Bedroom Units
- ▶ **Current Rents**
 - ▶ Average 1-BR - \$697/month
 - ▶ Average 2-BR - \$873/month
- ▶ **Proposed Plan**
 - ▶ 20 units affordable to 30% AMI (with voucher assistance)
 - ▶ 10 units affordable to 50% AMI
 - ▶ 24 units affordable to 60% AMI
 - ▶ 24 units affordable at 80% AMI
 - ▶ 20 units non-deed restricted, currently serving 60% AMI



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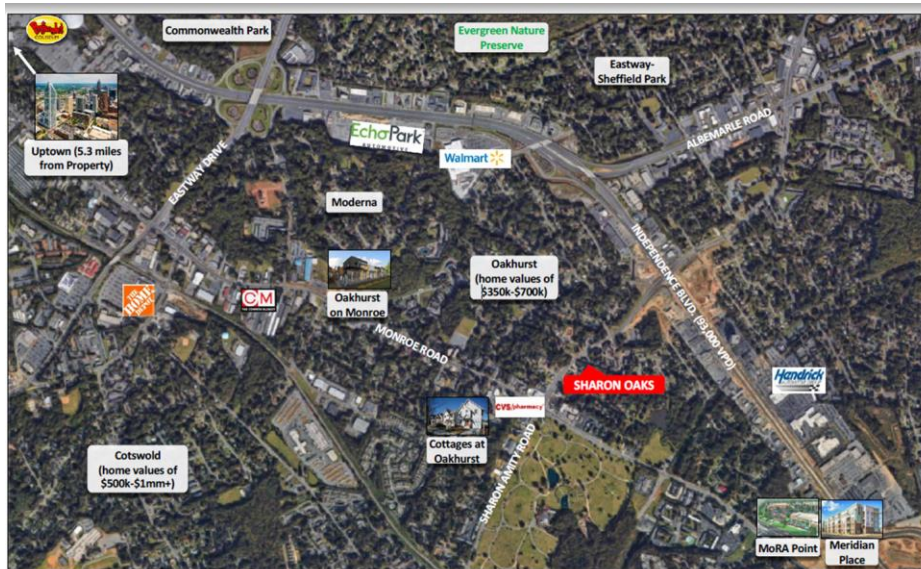
NOAH Proposal (Proposed Rehabilitation Work)

- ▶ Roof replacement/repairs
- ▶ Siding / fascia / soffit replacement / repairs (to address rot and deterioration)
- ▶ Balcony and railing replacement (to address rotting wood)
- ▶ Masonry repairs (to address structural issues)
- ▶ Improvements to site drainage (to prevent flooding)



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Surrounding Area



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Surrounding Area

Apartments proximate to:

- ▶ Quality housing stock - new, existing and under construction
 - ▶ Cotswold, Meridian Place, Moderna, Oakhurst on Monroe (mixed-use)
- ▶ Single-family and multi-family price appreciation
- ▶ New, quality retail
 - ▶ Starbucks @ MoRA Point, Common Market, Aldi, Oakhurst on Monroe (mixed-use)
- ▶ Access to public transportation



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Sharon Oaks Apartments



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Sharon Oaks Funding Request



Sharon Oaks

Ascent Real Estate Capital and
Laurel Street Residential

Number of Units	98
HTF Request	\$2,100,000
Total Cost	\$9,350,000
Affordability Period	15 Years
Leverage Ratio	4:1
Current Rent Ranges	\$697 - \$873
HTF Investment Per Unit	\$21,428

Proposed AMI	# Units
30%	20
50%	10
60%	24
80%	24
Non-Restricted	20
Total Units	98

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Committee Action and Next Steps

- ▶ Requested Action - Recommend approval of \$2,100,000 of HTF dollars to preserve the Sharon Oaks Apartments.
- ▶ Next Steps - Council will consider approval of funding for Sharon Oaks NOAH preservation at an upcoming business meeting.

